



Billing Code: 4310-VH

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Outer Continental Shelf (OCS), Alaska OCS Region, Cook Inlet Planning Area, Proposed Oil and Gas Lease Sale 244 for OCS Oil and Gas Leasing Program 2012-2017

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Request for Interest (RFI).

SUMMARY: The Proposed OCS Oil and Gas Leasing Program for 2012-2017 (Proposed Program) identifies Sale 244 as a potential special interest sale for the Cook Inlet Planning Area in Alaska. While industry interest in the Federal OCS offshore area has been limited in the past decade, recently there has been renewed interest in exploring for and developing additional hydrocarbon resources in the south-central region of the state, as evidenced by acreage leased in state sales and announced discoveries of natural gas on state-managed lands, both offshore and onshore.

This RFI seeks to determine the level of industry interest in a possible Sale 244 in 2013 in the Cook Inlet Planning Area, whether focused on a few blocks or prospects, or on a larger portion of the program area.

BOEM is also seeking comments from tribal, local, and state governments, Federal agencies, and the general public to evaluate whether the agency should proceed with further evaluations pursuant to the OCS Lands Act (OCSLA), the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and all other applicable laws and regulations. BOEM will consider the level of industry interest and other issues and concerns reflected in

comments in its determination on how to proceed. BOEM will then decide on whether to proceed with further evaluation of this special interest sale. This RFI does not indicate a decision to include Sale 244 in the Proposed Final OCS Oil and Gas Leasing Program for 2012-2017 (Final Program) or to lease in the Cook Inlet Planning Area.

DATES: All responses to the RFI on proposed Cook Inlet Sale 244 must be received no later than [INSERT DATE THAT IS 45 DAYS FROM PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]. Written nomination submittals should be labeled “Comments on Proposed Special Interest Sale 244.”

FOR FURTHER INFORMATION CONTACT: Fred King, Chief, Leasing Section, Leasing and Plans, BOEM, Alaska OCS Region, 3801 Centerpoint Drive, Suite 500, Anchorage, Alaska 99503-5823, or at (907) 334-5271.

SUPPLEMENTARY INFORMATION:

REQUEST FOR INTEREST AND INFORMATION

1. AUTHORITY: This RFI is published pursuant to the OCSLA, as amended (43 U.S.C. 1331-1356 (1994)) and the regulations issued thereunder (30 CFR Part 556) and in accordance with the Proposed Program.

Due to the long lead time necessary to prepare for a sale, this RFI is being published before a final decision is made later in 2012 on which sales will be included in the Final Program. This proposed sale was included in the Proposed Program with a sale date tentatively scheduled for late 2013. If the Final Program includes proposed Cook Inlet Sale 244, BOEM will continue to prepare for the sale, and the final decision to hold or cancel the sale will likely be made in late 2013 as part of the sale preparation process. If the Final Program does not include this sale, then BOEM will terminate preparations for the sale.

2. PURPOSE OF RFI: This RFI seeks to determine the level of industry interest and whether that interest, if any, is focused on a few blocks or prospects or on a larger portion of the program area. BOEM is also seeking comments from tribal, local, and state governments, Federal agencies, and the general public to determine whether BOEM should proceed with further evaluations pursuant to the OCSLA, NEPA, ESA, and other applicable laws and regulations.

This information-gathering step is important to ensure that all pertinent information is assessed in determining whether to proceed with further evaluation of the special interest leasing process pursuant to the OCSLA and regulations at 30 CFR Part 556. A special interest leasing option allows BOEM to consider for further evaluation a very focused or larger area of the Cook Inlet Planning Area, depending on interest. This RFI does not indicate a decision to include Sale 244 in the Final Program or to lease in the Cook Inlet area described below.

After the 45-day RFI comment period closes, BOEM will decide whether to continue the process after consideration of the nomination information and comments received. If industry response to this RFI does not indicate sufficient interest at this time, then preparations for Sale 244 will not proceed. BOEM may issue another RFI subsequently to gauge industry interest in a potential lease sale in the Cook Inlet Planning Area later in the Proposed Program.

If sufficient industry interest is received during the RFI process, including nominations of specific blocks in response to the RFI, and after reviewing and considering the other information provided, BOEM may recommend to the Assistant Secretary - Land and Minerals Management, that the sale process should continue, as well as the size of the area to be considered for further evaluation in the process referred to as Area Identification. Following Area Identification, the BOEM Alaska Region will prepare the appropriate NEPA analysis of potential environmental

effects of oil and gas leasing, exploration, development, and production in the proposed sale area and its vicinity. After the completion of the NEPA process and consultation with the Governor of Alaska, if BOEM determines that leasing and potential exploration can occur in an environmentally safe manner, then BOEM may proceed with the leasing process for a competitive sale in the general area of interest.

Sale 244 is tentatively scheduled for late 2013 under the Proposed Program. BOEM is starting the RFI process now to allow sufficient time to complete all of the steps in the presale process to hold a sale in 2013, in the event that the decision is made to proceed with a potential lease sale in the Cook Inlet Planning Area. As explained above, issuance of this RFI does not indicate a decision to lease in the Cook Inlet Planning Area.

3. BACKGROUND AND DESCRIPTION OF THE AREA: Five Federal OCS sales have been held in the Cook Inlet Planning Area within the past 34 years. In October 1977, Sale CI resulted in 88 leases being issued. In September 1981, Sale 60 resulted in 13 leases being issued. A re-offering sale, Sale RS-2, was held in August 1982, but no bids were received and no leases resulted from this sale. Sale 149, held in June 1997, resulted in 2 leases issued. Sale 191 was held in May 2004, and no bids were submitted. Two special interest Cook Inlet Sales, 211 and 219, were scheduled under the 2007-2012 Program. On July 8, 2008, the Minerals Management Service (now BOEM) issued a RFI for Cook Inlet Sale 211. The comment period closed October 6, 2008. MMS received three comments, but no industry nominations identifying specific leasing interest. In 2008, MMS decided not to proceed with the Sale 211 presale process. On March 2, 2011, the decision to cancel Sale 219 was published in the Federal Register. Between 1978 and 1985, a total of 13 exploratory wells were drilled on Federal leases in the Cook Inlet Planning Area, all have been permanently plugged and abandoned. The State of Alaska currently has active oil and gas leases

with two drill operations preparing for the 2012 drill season. Companies have purchased leases offshore at the State-held Cook Inlet Sale in June 2011. The most recent State oil and gas lease sale held in December 2011 included 575,202 acres. There are currently no active Federal OCS leases in Cook Inlet.

The BOEM document “Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation’s Outer Continental Shelf, 2011” estimates the mean undiscovered conventionally recoverable resources for the Cook Inlet Planning Area at 1.01 billion barrels of oil and 1.2 trillion cubic feet of gas

http://www.boem.gov/uploadedFiles/2011_National_Assessment_Factsheet.pdf.

The Cook Inlet Planning Area is located offshore the State of Alaska just south of Kalgin Island and the Barren Islands and continues south through Shelikof Strait to just above the southern tip of Kodiak Island (see map below). The Cook Inlet Planning Area consists of approximately 1,093 whole and partial blocks covering about 2.1 million hectares (about 5.3 million acres). It extends from 3 to approximately 60 nautical miles offshore, in water depths from about 30 feet to approximately 650 feet. A map of the Cook Inlet Planning Area accompanies this RFI. A large-scale RFI map showing the boundaries of the Cook Inlet Planning Area on a block-by-block basis is available on the BOEM website at

<http://www.boem.gov/aksale244>.

4. INSTRUCTIONS ON RFI: If a company is interested in potentially acquiring oil and gas leases in the Cook Inlet Planning Area, it should send specific written nomination information to: Chief, Leasing Section, BOEM, Alaska OCS Region, 3801 Centerpoint Drive, Suite 500, Anchorage, Alaska 99503-5823. Written nominations must be received by [INSERT DATE THAT IS 45 DAYS FROM PUBLICATION OF THIS DOCUMENT IN THE

FEDERAL REGISTER]. The written information from industry nominating specific blocks, which BOEM considers proprietary, will not be released to the public. If a company believes that a larger area should be considered, it should explicitly describe its interest, including a summary of the geologic and economic information about that larger area. To avoid inadvertent release of proprietary information, please mark all documents “Confidential – Contains Proprietary Information” on every page containing such information. This written letter of nomination may include maps, and should include a company contact name, address, and phone number(s) that BOEM can use if it needs additional information or clarification. Submittals should indicate “Responses to RFI for Proposed Cook Inlet Special Interest Lease Sale 244.”

Respondents should rank areas they have nominated according to priority of interest; for example, priority 1 (high), 2 (medium), and/or 3 (low) on a large-sale RFI map available at <http://www.boem.gov/aksale244>. Respondents are encouraged to be specific in indicating blocks by priority and be prepared to discuss their range of interest and activity regarding the nominated area(s). Please provide the telephone number and name of a person to contact in the organization’s response. BOEM’s Alaska OCS Regional office may contact this person to set up a mutually agreeable meeting to more fully review the company’s level of interest.

BOEM is seeking comments and information from all interested parties about particular geological (including natural hazard areas), environmental, biological, archaeological, and socioeconomic conditions or potential conflicts, or other information that might bear upon the potential leasing, exploration, and development in the program area and its vicinity. Except for written letters of nomination, all other comments to the RFI, including general information from companies, federal agencies, state and local governments, tribes and other interested parties and individuals will be accepted only through <http://www.regulations.gov>, using docket designation:

BOEM-2012-0017. All comments received via *regulations.gov*, including names and addresses of respondents, are public and will be posted for public review on *regulations.gov*.

BOEM will not consider anonymous comments. BOEM will make available in their entirety on *regulations.gov* all non-proprietary submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses. All written nomination information submitted by industry about their interest will remain proprietary and will not be released.

5. USE OF RFI INFORMATION: Information submitted in response to this RFI will be used for several purposes. Responses will be used to:

- Determine whether to proceed with the leasing process for a special-interest oil and gas lease sale in the Cook Inlet Planning Area;
- Identify specific areas of interest for oil and/or gas leasing, exploration, and development;
- Identify potential environmental effects and potential use conflicts;
- Develop the appropriate level of environmental analysis, if the level of industry interest is such that BOEM recommends proceeding with the special interest sale process;
- Develop lease terms, conditions, and mitigating measures.

6. EXISTING INFORMATION: An extensive environmental, social, and economic Studies Program has been underway in the Alaska OCS Region since 1976, including studies in the Cook Inlet Planning Area. The emphasis has been on environmental characterization of biologically sensitive habitats, endangered whales and marine mammals, physical oceanography, ocean-circulation modeling, subsistence uses, and ecological and socio-cultural effects of oil and

gas activities. NEPA analyses were prepared for the previous OCS sales held in the Cook Inlet Planning Area.

Information on the BOEM Environmental Studies Program, completed studies, and a program status report for continuing studies in this area is available on the BOEM website <http://www.boem.gov/akstudies>, or may be obtained from the Chief, Environmental Studies Section, Alaska OCS Region, by telephone request at (907) 334-5283.

Tommy P. Beaudreau
Director, Bureau of Ocean Energy Management

March 6, 2012____
Date

